

**DURHAM, NORTH CAROLINA
MONDAY, JULY 30, 2001
2:00 p.m.**

Pursuant to the proper notification, the Durham City Council held a special meeting on the above date and time in the Committee Room at City Hall with the following members present: Mayor Tennyson, Mayor Pro Tempore Clement and Council Members Blyth, Burnette, Cheek, Hill, Jacobs, Langley, McKissick, Stith and Wagstaff. Absent: Council Members Edwards and Larson.

Also Present: City Manager Marcia L. Conner, City Attorney Henry Blinder, City Clerk D. Ann Gray and Deputy City Clerk Linda E. Bratcher.

Mayor Tennyson called the special meeting to order.

SUBJECT: SMALL BUSINESS LOAN PROGRAM

To receive a report from the City Manager on the Small Business Loan Program.

Mayor Tennyson informed Council that the City Manager has requested a closed session and that the press has made a request that the closed session be taped.

City Manager Marcia L. Conner noted that immediately following the meeting there would be a media briefing.

Council held discussion on the release of tapes.

Mayor Tennyson noted the tapes would not be made available until the matter under discussion would not be affected by the release.

Also, City Attorney Henry Blinder made comments on the release of information noting that certain types of information could be released at some point in the future and for other situations information may never be released.

MOTION by Council Member Blyth seconded by Council Member Wagstaff to tape record the closed session **FAILED** at 2:03 p.m. by the following vote: Ayes: Council Members Blyth, Burnette, McKissick, Stith and Wagstaff. Noes: Mayor Tennyson, Mayor Pro Tempore Clement and Council Members Cheek, Hill and Langley. Absent: Council Members Edwards and Larson. Absent at time of Vote: Council Member Jacobs.

City Manager Marcia L. Conner informed Council that Police Chief Teresa Chambers and District Attorney Jim Hardin would be attending the closed session.

MOTION by Council Member McKissick seconded by Council Member Langley to go into closed session to receive a report from the City Manager on the Small Business Loan Program was approved at 2:03 p.m. by the following vote: Ayes: Mayor Tennyson, Mayor Pro Tempore Clement and Council Members Blyth, Burnette, Cheek, Hill, Langley, McKissick and Stith. Noes: Council

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Member Wagstaff. Absent: Council Members Edwards and Larson. Absent at time of Vote: Council Member Jacobs.

Before going into the closed session, Mayor Tennyson outlined that the purpose of the closed session would be to discuss a matter of potential criminal investigation.

City Manager Marcia L. Conner noted that she would be informing Council of some personnel actions.

[OPEN SESSION – 3:05 p.m.]

Mayor Tennyson stated that the City Manager and the District Attorney will be holding a press conference in the Council Chambers following the adjournment of the Special City Council Meeting. Also, he noted that the City Attorney advised Council in closed session regarding comments relating to personnel matters and that Council received information about a potential criminal investigation and personnel matters.

MOTION by Council Member Blyth seconded by Council Member Langley to direct the City Manager to request concurrently with the District Attorney's request that HUD's Office of the Inspector General in cooperation with the FBI conduct an investigation into the matter of all loan transactions associated with the Small Business Loan Program was approved at 3:09 p.m. by the following vote: Ayes: Mayor Tennyson, Mayor Pro Tempore Clement and Council Members Blyth, Burnette, Cheek, Hill, Jacobs, Langley, McKissick, Stith and Wagstaff. Noes: None. Absent: Council Members Edwards and Larson.

MOTION by Council Member Stith seconded by Council Member Wagstaff to add an item to the agenda concerning the Local Option Sales Tax was approved at 3:10 p.m. by the following vote: Ayes: Mayor Tennyson, Mayor Pro Tempore Clement and Council Members Blyth, Burnette, Cheek, Hill, Jacobs, Langley, McKissick, Stith and Wagstaff. Noes: None. Absent: Council Members Edwards and Larson.

SUBJECT: LOCAL OPTION SALES TAX

Mayor Tennyson made comments on the local option sales tax issue.

Council Member Stith noted that Council should recommend opposing repeal of reimbursements in lieu of sales tax. He stated the one-half cent sales tax should not be an option at this time.

Mayor Tennyson spoke in opposition to opposing repeal of reimbursements in lieu of sales tax.

Council Member McKissick noted that the State government is strapped and the City's bond rating is in jeopardy. He suggested leaving it up to the General Assembly to do whatever is necessary to make sure the fiscal integrity of the State and taxpayers of North Carolina is fully protected.

Council Member Blyth spoke in opposition to raising taxes.

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Council Member Hill expressed concern to not have the option of the sales tax with a referendum.

MOTION by Council Member Stith seconded by Council Member Blyth to send a resolution to the Durham delegation opposing the repeal of reimbursement in lieu of sales tax **FAILED** at 3:14 p.m. by the following vote: Ayes: Council Members Blyth, Jacobs, Langley, Stith and Wagstaff. Noes: Mayor Tennyson, Mayor Pro Tempore Clement and Council Members Burnette, Cheek, Hill and McKissick. Absent: Council Member Edwards and Larson.

There being no further business to come before the City Council, the Special Meeting was adjourned at 3:14 p.m.

Linda E. Bratcher
Deputy City Clerk

D. Ann Gray, CMC
City Clerk